

Message Text

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PAGE 01 CARACA 08222 181711Z
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 /023 W
-----085607 190130Z /73
R 181620Z AUG 77
FM AMEMBASSY CARACAS
TO USDOC WASHDC
INFO SECSTATE WASHDC 8847

C O N F I D E N T I A L CARACAS 8222

PASS TO OED/MEPD AND OIM

E.O. 11652: GDS
TAGS: BENC, VE
SUBJECT: MAJOR PROJECT: METRO

REF: STATE 191807

1. EMBASSY WOULD LIKE TO CORRECT USDOC PERCEPTION THAT IT IS THE CARACAS METRO AUTHORITY WHICH WISHES A "REGROUPING OF INDIVIDUAL PROPOSALS." ON THE CONTRARY THE CARACAS METRO AUTHORITY HAS CONSISTENTLY INDICATED IT IS DISINCLINED TO SPLIT PACKAGE BIDS INTO INDIVIDUAL COMPONENTS OR TO DECLARE BID VACATED, DUE TO TECHNICAL PROBLEMS OF COMPATIBILITY AND ADMINISTRATIVE EFFORT WHICH WOULD BE INVOLVED. THE CONCEPT OF VOLUNTEERING US COMPANIES' WILLINGNESS TO NEGOTIATE, INCLUDING REGROUPING OF INDIVIDUAL PROPOSALS, ORIGINATED WITH GUSTAVO CISNEROS, PULLMAN STANDARD REPRESENTATIVE HERE, AND OTHER REPRESENTATIVES OF THE COMPANIES. THE IDEA BEHIND THIS TACTIC IS THAT IF A "REGROUPED" OFFER COULD BE MADE SUFFICIENTLY ATTRACTIVE IN TERMS OF COMPONENTS AND COSTS IT WOULD IMPROVE THEIR COMPETITIVE POSITION AND THUS IMPROVE THE CHANCES FOR A DECISION TO NEGOTIATE WITH US COMPANIES. IN FAVOR OF THIS ARGUMENT IS THE VIRTUAL CERTAINTY THAT IF SOMETHING LIKE THIS IS NOT DONE AND THE TWO US CONSORTIA STAND ON THEIR
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EXISTING BIDS THEY WILL HAVE NO CHANCE AT ALL.

2. THE EMBASSY BELIEVES THAT IS IS DEFINITELY WORTH ONE MORE EFFORT AND THAT THE COMPANIES SHOULD EXPRESS TO THE METRO AUTHORITY THEIR WILLINGNESS TO NEGOTIATE AND TO REGROUP INDIVIDUAL PROPOSALS. WE MOST EMPHATICALLY AGREE WITH CONSORTIA LEADERS THAT A SUBSTANTIAL REDUCTION

IN CONSORTIUM PRICE AS A RESULT IS ESSENTIAL TO INDUCE
METRO (AND HIGHER LEVEL) CONSIDERATION OF THEIR PROPOSAL.

3. AS FOR OTHER INITIATIVES THAT MIGHT STRENGTHEN U.S.
POSITION, EVERY POSSIBILITY SHOULD BE CONSIDERED. CONSORTIUM
MAY WANT TO REQUEST EXIM BANK TO REANALYZE FINANCING
PACKAGE TO OBTAIN EVEN LOWER INTEREST RATE.
VAKY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770299-0382
Format: TEL
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770850/aaaabpxz.tel
Line Count: 70
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Litigation History:
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Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
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Review Exemptions: n/a
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Review Withdrawn Fields: n/a
SAS ID: 1569052
Secure: OPEN
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Subject: MAJOR PROJECT: METRO
TAGS: BENC, VE
To: COM
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